

PIONEER GENERAL INSURANCE COMPANY

6780 EAST HAMPDEN AVENUE

DENVER, COLORADO 80224

NAIC COMPANY # 12670

MARKET CONDUCT EXAMINATION REPORT
AS OF DECEMBER 31, 2002

COLORADO DEPARTMENT OF REGULATORY AGENCIES
DIVISION OF INSURANCE

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EXAMINATION REPORT
as of
December 31, 2002**

Prepared by

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July 1, 2003

The Honorable Doug Dean
Commissioner of Insurance
State of Colorado
1560 Broadway Suite 850
Denver, Colorado 80202

Commissioner:

In accordance with sections 10-1-203 and 10-3-1106, C.R.S., an examination of selected underwriting and claims practices in the bail bond business of Pioneer General Insurance Company has been conducted. The company's records were examined at its corporate office located at 6780 East Hampden Avenue, Denver, Colorado 80224

The examination covered a twelve-month period from January 1, 2002 to December 31, 2002.

A report of the examination of Pioneer General Insurance Company is herein respectfully submitted.

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**MARKET CONDUCT
EXAMINATION REPORT
OF
PIONEER GENERAL INSURANCE COMPANY**

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COMPANY PROFILE

Pioneer General's charter dates back to 1946 when the company primarily wrote bail. Pioneer continues to write bail but has extended its services to include all phases of the surety business. Pioneer is currently rated B++ by A.M. Best and is currently listed as an approved surety writer by the U.S. Treasury Department. Pioneer General is licensed in Colorado, Kansas, Montana, New Mexico and Utah at the present time.

The underwriting staff at Pioneer General is highly qualified with an average of 10 years' experience in the surety industry. Pioneer has a reinsurance treaty with General Reinsurance Corporation.

The Company reported 15,515 bail bonds posted in 2002. The gross written premium for bail bonds in Colorado was \$6,354,469 for the year 2002.

PURPOSE AND SCOPE OF EXAMINATION

The purpose of this examination was to examine the business practices of Pioneer General Insurance Company (hereinafter referred to as Company) as applicable to bail bond insurance in the State of Colorado. Examination information contained in this report should serve only these purposes. This procedure is in accordance with section 10-1-203, C.R.S., which empowers the Commissioner to examine insurance companies. The findings in this report, including all work product developed in the production of this report, are the sole property of the Colorado Division of Insurance. The conclusions and findings of this examination are public record. The preceding statements are not intended to limit or restrict the distribution of this report.

This examination was governed by, and performed in accordance with, procedures developed by the National Association of Insurance Commissioners and the Colorado Division of Insurance. In reviewing material for this report the examiners relied primarily on records and material maintained by the Company and its agents. The examination covers one twelve-month period of the Company's operations, from January 1, 2002 to December 31, 2002.

File sampling was based on a review of bail bond files that were systematically selected using data files provided by the company. Sample sizes were chosen based on guidance from procedures developed by the National Association of Insurance Commissioners. Upon review of each file, any concerns or discrepancies were noted on comment forms. These comment forms were delivered to the Company for review. Once the Company was advised of a finding contained in a comment form, the Company had the opportunity to respond. For each finding the Company was requested to agree, disagree or otherwise justify the Company's noted action. At the conclusion of each sample, the Company was provided a summary of the findings for that sample. The report of the examination is, in general, a report by exception. Therefore, much of the material reviewed will not be contained in this written report, as references to any practices, procedures, or files that manifested no improprieties were omitted.

An error tolerance level of plus or minus ten dollars (\$10.00) was allowed in most cases where monetary values were involved. However, in cases where monetary values were generated by computer or other systemic methodology, a zero (\$0) tolerance level was applied in order to identify possible system errors. Additionally, a zero (\$0) tolerance level was applied in instances where there appeared to be a consistent pattern of deviation from the Company's established policies, procedures, rules and/or guidelines.

The examination included review of the following seven Company operations:

1. Company Operations and Management
2. Marketing and Sales
3. Complaint Handling
4. Producers/Agents
5. Underwriting: Applications, Forms and Rates
6. Policyholder Services
7. Claim Handling, including forfeiture judgments and return of collateral

Some unacceptable or non-complying practices may not have been discovered in the course of this examination. Failure to identify or criticize specific Company practices does not constitute acceptance by the Colorado Division of Insurance. Examination findings may result in administrative action by the Division of Insurance.

EXAMINATION REPORT SUMMARY

The Company reported eighty- nine (89) appointed supervising agents and subagents in 2002. The report reflects records examined from five (5) supervising agents and their fourteen (14) subagents. The Company reported 15,515 bail bonds issued during the examination period. 4,966 of these bail bonds were issued by the five (5) selected supervising agents and their subagents. Fifty (50) of these 4,966 files were systematically selected to be reviewed for compliance with Colorado insurance law.

The examination resulted in a total of six (6) issues arising from the Company's apparent noncompliance with Colorado statutes and regulations concerning all bail bond insurers operating in Colorado. These eight (8) issues fell into two (2) main categories as follows:

Company Operations/Management:

These two (2) issues arise from Colorado statutory and regulatory requirements regarding the requirement to file rates with the Colorado Division of Insurance and the requirement to adequately monitor producers' activities. The issues of noncompliance are identified as follows:

- Failure to file rates as required by Colorado insurance law.
- Failure to adequately monitor producers' activities.

Marketing and Sales:

In the area of Marketing and Sales, no compliance issues are addressed in the report.

Complaint Handling:

In the area of Complaint Handling, no compliance issues are addressed in the report.

Producers/Agents:

In the area of Producers/Agents, four (4) compliance issues are addressed in this report. These six (6) issues are due to company agents' failure to adhere to Colorado insurance laws pertaining to bail bond business. Regarding the compliance issues in this area, it is recommended that the Company review its current procedures for monitoring agents' activities and implement routine external auditing of agents to ensure future compliance with Colorado law. The issues of noncompliance are identified as follows:

- Failure, in some cases, to comply with agent reporting requirements to the Division of Insurance.
- Failure, in some cases, of agents to include the required anti-fraud statement on the application.
- Failure, in some cases, of agents to fulfill fiduciary responsibilities by commingling funds.
- Failure, of some agents, to register assumed (trade) name with the Colorado Division of Insurance

Underwriting:

In the area of underwriting, no compliance issues are addressed in the report.

Policyholder Service:

In the area of policyholder service, no compliance issues are addressed in the report.

Claim Handling, Including Forfeiture Judgments and Return of Collateral:

In the area of claim handling, including forfeiture judgments and return of collateral, no compliance issues are addressed in the report.

A copy of the Company's response, if applicable, can be obtained by contacting the Company or the Colorado Division of Insurance.

Results of previous Market Conduct Exams are available on the Colorado Division of Insurance's website at www.dora.state.co.us/insurance or by contacting the Colorado Division of Insurance.

PIONEER GENERAL INSURANCE COMPANY

PERTINENT FACTUAL FINDINGS

MARKET CONDUCT EXAMINATION REPORT

PERTINENT FACTUAL FINDINGS

COMPANY OPERATIONS/MANAGEMENT

Issue A: Failure to file rates as required by Colorado insurance law.

Section 10-4-401, C.R.S., Purpose – applicability, states, in part:

- (3) The kinds of insurance subject to this part 4 shall be divided into two classes, as follows:
- (b) Type II kinds of insurance, regulated by open competition between insurers, including fire, casualty, inland marine, title, medical malpractice by a joint underwriting association regulated under part 9 of this article, credit, workers' compensation and employer's liability incidental thereto and written in connection therewith for rates filed by insurers, and all other kinds of insurance that are subject to this part 4 and not specified in paragraph (a) of this subsection (3), including the expense and profit components of workers' compensation insurance, which shall be subject to all the provisions of this part 4 except for sections 10-4-405 and 10-4-406. Concurrent with the effective date of new rates, type II insurers shall file rating data, as provided in section 10-4-403, with the commissioner; except that credit life and credit accident and health insurers shall file schedules of premium rates pursuant to section 10-10-109 and 10-10-110.
- (4) Except for type I kinds of insurance as defined in paragraph (a) of subsection (3) of this section, prior approval or rates, schedules of rates, rating plans, rating classifications and territories, rating rules and rate manuals with the commissioner, or his prior approval thereof, shall not be required. In lieu thereof, the provisions of paragraph (b) of subsection (3) of this section and sections 10-4-413, 10-4-414, and 10-4-418 regarding the availability of such items, the review thereof, and hearings and judicial review thereof are applicable.

Colorado Amended Regulation 5-1-10, Rate And Rule Filing Submissions Property And Casualty Insurance, promulgated pursuant to the authority of Sections 10-1-109, 10-3-1110, 10-4-404 and 10-4-404.5, C.R.S., states, in part:

Section 5. Rules

Failure to supply the information required in Subsections 5(A)(4), 5(A)(5), 5(A)(7), and 5(B)(4) of this regulation would render the filing incomplete. Incomplete filings will be returned on or before the 15th business day after receipt. Incomplete filings are not reviewed for substantive content. All filings that are not returned on or before the 15th business day after receipt will be considered complete. Filings may be reviewed for substantive content, and if reviewed, any deficiency will be identified and communicated to the filing insurer on or before the 30th business day after receipt. Correction of any deficiency, including deficiencies identified after the 30th business day, will be required on a prospective bases, and no penalty will be applied to a non willful violation identified in this manner. Nothing in this Section 5 shall render a rate filing subject to prior approval by the Division of Insurance unless otherwise subject to prior approval as provided by statute.

A. Rate Filings General Requirements

2. **Timing and Submission:** Unless a filing is specifically identified as requiring prior approval, by statute, all filings are classified as file and use. All companies are to file a transmittal sheet, appropriate Colorado Rate and Rule Submission Form(s) (Form A is required for all filings and loss cost filings require a form B, C and/or D, as appropriate) with the rates prior to distribution, release to producers, collection or premium, advertising, or any other use of the rate. Additionally, all personal lines, medical malpractice and workers compensation insurance require the rating data to be submitted with the filing. The Division of Insurance may also request rating data for other lines of business along with appropriate supporting data. All filings must be submitted to the rates and forms section of the Division of Insurance. In the case of rates requiring prior approval, if a rate increase has been implemented without Division of Insurance approval, corrective actions may be ordered, including fines, refunds to policyholders, and/or rate credits.

It does not appear that the Company filed rates for bail premium for the period under examination.

Recommendation No. 1:

Within 30 days, the Company should provide documentation demonstrating why it should not be considered in violation of Section 10-4-401, C.R.S and Regulation 5-1-10. In the event the Company is unable to provide such documentation, it should be required to provide evidence demonstrating that the Company has amended its procedures to ensure that rate filings are made in compliance with Colorado insurance law.

Issue B: Failure to adequately monitor producers' activities.

Section 10-1-127, C.R.S. – Fraudulent insurance acts – immunity for furnishing information relating to suspected insurance fraud – legislative declaration, states, in part: ...

- (6) (a) On and after January 1, 1997, every licensed insurance company doing business in Colorado shall prepare, implement, and maintain an insurance anti-fraud plan; except that this subsection (6) shall not apply to entities whose principal business is the assumption of reinsurance, reinsurance agreements, or reinsurance claims transactions. Insurance companies approved by the commissioner under article 5 of this title may be required, as a condition of such approval, to maintain an insurance anti-fraud plan. Each anti-fraud plan shall outline specific procedures, appropriate to the type of insurance provided by the insurance company in Colorado, to:
- (I) Prevent, detect, and investigate all forms of insurance fraud, including fraud by the insurance company's employees and agents, fraud resulting from false representations or omissions of material fact in the application for insurance, renewal documents, or rating of insurance policies, claims fraud, and security of the insurance company's data processing systems:

Pioneer General Insurance Company has procedures established to audit and monitor its producers activities, but has failed to provide **adequate monitoring** (emphasis added) which appears to be a violation of the following statutes.

1. Section 12-7-105, C.R.S., Reports and records required – bonding agents – division, states, in part: ...

- (1) Commencing November 1, 2000, each licensed bail bonding agent shall provide a report to the division no later than November 1 of each year. Such report shall include but is not limited to the following information:
- (a) The names of the persons for whom such bail bonding agent has become surety;
 - (b) A description of any bond activity;
 - (c) Deleted by amendment, L.96: p. 1183, °8, effective June1.
 - (d) The amount of collateral or security received;
 - (e) Deleted by amendment, L. 96: p. 1183, °8, effective June1.
 - (e.5) The names of persons for whom such bail bonding agent has become surety and who have failed to appear;
 - (f) Such further information as the division may reasonably require.

An examination of the files of five (5) supervising agents and fourteen (14) sub-agents revealed that two (2) sub-agents failed to file the annual report that was due on November 1, 2002.

2. Section 10-1-127, C.R.S., Fraudulent insurance acts – immunity for furnishing information relating to suspected insurance fraud – legislative declaration, states, in part:

- (7) (a) On and after January 1, 1997, each insurance company shall provide on all printed applications for insurance, or on all insurance policies, or on all claim forms provided and required by an insurance company, or required by law, whether printed or electronically transmitted, a statement, in conspicuous nature, permanently affixed to the application, insurance policy, or claim for substantially the same as the following:

“It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.”

An examination of fifty (50) files, representing .3% of all bail bonds written by the Company during the exam period revealed five (5) exceptions (10% of the sample) wherein the agent failed to include the required anti-fraud statement on the application. All five (5) of these exceptions were the result of one agent failing to use the standard application provided by the Company.

3. Section 10-2-704, C.R.S., Fiduciary responsibilities – states, in part: ...

- (1) (a) All premiums belonging to insurers and all unearned premiums belonging to insureds received by an insurance producer licensee under this article shall be treated by such insurance producer in a fiduciary capacity. The commissioner may promulgate such rules as are necessary and proper relating to the treatment of such premiums.
- (b) All premiums received, less commissions if authorized, shall be remitted to the insurer or its agent entitled thereto on or before the contractual due date or, if there is no contractual due date, within forty-five days after receipt.
- (3) No insurance producer under this article shall commingle premiums belonging to insurers and returned premiums belonging to insureds with the producer's personal funds or with any other funds except those directly connected with the producer's insurance business.

Colorado Insurance Regulation 1-2-1, Concerning Agent Fiduciary Responsibilities, promulgated under the authority of §§ 10-1-108(8), 10-1-109, 10-2-220 and 10-3-110, Colorado Revised Statutes (C.R.S.), states in part: ...

III. Rule.

- B. Upon receipt, the insurance producer must treat all premiums and returned premiums in a fiduciary capacity, including but not limited to the following:

1. Upon receipt the insurance producer must treat all premiums and returned premiums as trust funds and segregate them from his own funds, and
2. the insurance producer must keep an accurate record of all fiduciary funds, and
3. the insurance producer must not treat insurance premiums or returned premiums as a personal or business asset, and
4. the insurance producer's financial statement should not reflect fiduciary funds as an asset or as income to the insurance producer, and
5. an insurance producer may not use fiduciary funds as collateral for a personal or business loan, but the insurance producer may receive interest on such funds and use as a compensation balance with the financial institution, and
6. any deposit of such premium and returned premium funds into a bank or savings account must be into a separate insurance trust account until actually remitted to the insurer or persona entitled thereto. Such deposits will be subject to the uniform fiduciary's law as delineated in §15-1-101 et seq., C.R.S.

An examination of the records of five (5) supervising agents revealed that three (3) agents might be commingling funds, as separate fiduciary funds trust accounts were not being maintained. This appears to be a violation of Colorado insurance law.

4. Section 10-2-701, C.R.S. – Assumed names – registration, states, in part:

Any insurance producer using an assumed name, including without limitation a trade or fictitious name, under which the insurance producer conducts business shall register the name with the insurance commissioner prior to using the assumed name. The commissioner shall not accept registration of any name that is similar to another currently on file, that would tend to be misleading to the public, or that is identical or similar to the name of any producer whose license has been revoked or suspended. Every insurance producer licensee shall promptly file with the commissioner a written notice of any change in or discontinuation of the use of any name. The commissioner may promulgate all rules necessary and proper to implement the provisions of this section.

An examination of the files of five (5) supervising agents and fourteen (14) sub-agents revealed that one (1) agent and (1) sub-agent failed to register their assumed (trade) name with the Colorado Division of Insurance.

Recommendation No. 2:

Within 30 days, the Company should provide documentation demonstrating why it should not be considered in violation of Sections 10-1-127, 10-2-701, 10-2-704, 10-3-1104, 12-7-105, and 12-7-108, C.R.S. and Regulation 1-2-1. In the event the Company is unable to provide such documentation, the Company should review its current procedures for monitoring agents' activities and implement routine external auditing of agents to ensure future compliance with Colorado insurance law.

PERTINENT FACTUAL FINDINGS

PRODUCERS/AGENTS

Issue C: Failure, in some cases, to comply with agent reporting requirements to the Division of Insurance.

Section 12-7-105, C.R.S., Reports and records required – bonding agents – division, states, in part: ...

- (2) Commencing November 1, 2000, each licensed bail bonding agent shall provide a report to the division no later than November 1 of each year. Such report shall include but is not limited to the following information:
- (a) The names of the persons for whom such bail bonding agent has become surety;
 - (b) A description of any bond activity;
 - (c) Deleted by amendment, L.96: p. 1183, °8, effective June1.
 - (d) The amount of collateral or security received;
 - (e) Deleted by amendment, L. 96: p. 1183, °8, effective June1.
 - (e.5) The names of persons for whom such bail bonding agent has become surety and who have failed to appear;
 - (f) Such further information as the division may reasonably require.

| Population | Sample Size | Number of Exceptions | Percentage to Sample |
|------------|-------------|----------------------|----------------------|
| 89 | 19 | 2 | 11% |

An examination of the files of five (5) supervising agents and fourteen (14) sub-agents revealed that two (2) sub-agents failed to file the annual report that was due on November 1, 2002.

Recommendation No. 3:

Within 30 days, the Company should provide documentation demonstrating why it should not be considered in violation of Section 12-7-105, C.R.S. In the event the Company is unable to provide such documentation, it should be required to provide evidence demonstrating that the Company has reviewed and implemented procedures relating to monitoring agent reporting requirements to ensure compliance with Colorado insurance law.

Issue D: Failure, in some cases, of agents to include the required anti-fraud statement on the application.

Section 10-1-127, C.R.S., Fraudulent insurance acts – immunity for furnishing information relating to suspected insurance fraud – legislative declaration, states, in part:

- (7) (a) On and after January 1, 1997, each insurance company shall provide on all printed applications for insurance, or on all insurance policies, or on all claim forms provided and required by an insurance company, or required by law, whether printed or electronically transmitted, a statement, in conspicuous nature, permanently affixed to the application, insurance policy, or claim form substantially the same as the following:

“It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.”

| Population | Sample Size | Number of Exceptions | Percentage to Sample |
|------------|-------------|----------------------|----------------------|
| 4966 | 50 | 5 | 10% |

An examination of fifty (50) files, representing .3% of all bail bonds written by the Company during the exam period revealed five (5) exceptions (10% of the sample) wherein the agent failed to include the required anti-fraud statement on the application. All five (5) of these exceptions were the result of one agent failing to use the standard application provided by the Company.

Recommendation No. 4:

Within 30 days, the Company should provide documentation demonstrating why it should not be considered in violation of Section 10-1-127, C.R.S. In the event the Company is unable to provide such documentation, it should be required to provide evidence demonstrating that the Company has amended its procedures to ensure that agents are using application forms that contain the required anti-fraud statement and that are in compliance with Colorado insurance law.

Issue E: Failure, in some cases, of agents to fulfill fiduciary responsibilities by commingling funds.

Section 10-2-704, C.R.S., Fiduciary responsibilities – states, in part: ...

- (2) (a) All premiums belonging to insurers and all unearned premiums belonging to insureds received by an insurance producer licensee under this article shall be treated by such insurance producer in a fiduciary capacity. The commissioner may promulgate such rules as are necessary and proper relating to the treatment of such premiums.
- (b) All premiums received, less commissions if authorized, shall be remitted to the insurer or its agent entitled thereto on or before the contractual due date or, if there is no contractual due date, within forty-five days after receipt.
- (4) No insurance producer under this article shall commingle premiums belonging to insurers and returned premiums belonging to insureds with the producer's personal funds or with any other funds except those directly connected with the producer's insurance business.

Colorado Insurance Regulation 1-2-1, Concerning Agent Fiduciary Responsibilities, promulgated under the authority of §§ 10-1-108(8), 10-1-109, 10-2-220 and 10-3-110, Colorado Revised Statutes (C.R.S.), states, in part: ...

III. Rule.

- B. Upon receipt, the insurance producer must treat all premiums and returned premiums in a fiduciary capacity, including but not limited to the following:
 - 1. Upon receipt the insurance producer must treat all premiums and returned premiums as trust funds and segregate them from his own funds, and
 - 2. the insurance producer must keep an accurate record of all fiduciary funds, and
 - 3. the insurance producer must not treat insurance premiums or returned premiums as a personal or business asset, and
 - 4. the insurance producer's financial statement should not reflect fiduciary funds as an asset or as income to the insurance producer, and
 - 5. an insurance producer may not use fiduciary funds as collateral for a personal or business loan, but the insurance producer may receive interest on such funds and use as a compensation balance with the financial institution, and
 - 6. any deposit of such premium and returned premium funds into a bank or savings account must be into a separate insurance trust account until actually remitted to the insurer or persona entitled thereto. Such deposits will be subject to the uniform fiduciary's law as delineated in §15-1-101 et seq., C.R.S.

| Population | Sample Size | Number of Exceptions | Percentage to Sample |
|------------|-------------|----------------------|----------------------|
| 89 | 5 | 3 | 60% |

An examination of the records of five (5) supervising agents revealed that three (3) agents might be commingling funds, as separate fiduciary funds trust accounts were not being maintained. This appears to be a violation of Colorado insurance law.

Recommendation No. 5:

Within 30 days, the Company should provide documentation demonstrating why it should not be considered in violation of Section 10-2-704, C.R.S. and Regulation 1-2-1. In the event the Company is unable to provide such documentation, it should be required to provide evidence to the Division of Insurance that it has reviewed, revised and implemented all procedures relating to the handling of fiduciary funds received by agents to ensure compliance with Colorado insurance law.

Issue F: Failure, of some agents, to register assumed (trade) name with the Colorado Division of Insurance.

Section 10-2-701, C.R.S. – Assumed names – registration, states, in part:

Any insurance producer using an assumed name, including without limitation a trade or fictitious name, under which the insurance producer conducts business shall register the name with the insurance commissioner prior to using the assumed name. The commissioner shall not accept registration of any name that is similar to another currently on file, that would tend to be misleading to the public, or that is identical or similar to the name of any producer whose license has been revoked or suspended. Every insurance producer licensee shall promptly file with the commissioner a written notice of any change in or discontinuation of the use of any name. The commissioner may promulgate all rules necessary and proper to implement the provisions of this section.

| Population | Sample Size | Number of Exceptions | Percentage to Sample |
|------------|-------------|----------------------|----------------------|
| 89 | 19 | 2 | 11% |

An examination of the files of five (5) supervising agents and fourteen (14) sub-agents revealed that one (1) agent and (1) sub-agent failed to register their assumed (trade) name with the Colorado Division of Insurance.

Recommendation No. 6:

Within 30 days, the Company should provide documentation demonstrating why it should not be considered in violation of Section 10-2-701, C.R.S. In the event the Company is unable to provide such documentation, it should be required to provide evidence demonstrating that the Company has reviewed and implemented procedures relating to monitoring agent trade name registration to ensure compliance with Colorado insurance law.

SUMMARY OF RECOMMENDATIONS**For
PIONEER GENERAL INSURANCE COMPANY**

| <u>ISSUE</u> | <u>RECOMMENDATION NUMBER</u> | <u>PAGE NUMBER</u> |
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| Issue A: Failure to file rates as required by Colorado insurance law. | <u>1</u> | 13 |
| Issue B: Failure to adequately monitor producers' activities. | <u>2</u> | 16 |
| Issue C: Failure, in some cases, to comply with agent reporting requirements to the Division of Insurance. | <u>3</u> | 18 |
| Issue D: Failure, in some cases, of agents to include the required anti-fraud statement on the application. | <u>4</u> | 19 |
| Issue E: Failure, in some cases, of agents to fulfill fiduciary responsibilities by commingling funds. | <u>5</u> | 21 |
| Issue F: Failure, of some agents, to register assumed (trade) name with the Colorado Division of Insurance | <u>6</u> | 22 |

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Participated in this examination and in the preparation of this report.